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100TH CONGRESS
2d Session

SENATE

REPORT
100-488

UMATILLA BASIN PROJECT ACT

AUGUST 25, 1988.—Ordered to be printed

Filed under authority of the order of the Senate of August 11 (legislative day, August 10), 1988

Mr. JOHNSTON, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 1613]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1613) to authorize the Secretary of the Interior to construct, operate, and maintain the Umatilla Basin Project, Oregon, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Umatilla Basin Project Act".

SEC. 2. AUTHORIZATION OF PROJECT.

(a) For purposes of mitigating losses to anadromous fishery resources and continuing water service to the Hermiston, West Extension, Westland, and Stanfield Irrigation Districts, or any other entity which participates in the project water exchange, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, and acts amendatory thereof and supplementary thereto), is authorized to construct, operate, and maintain the Umatilla Basin Project, Oregon, substantially in accordance with the report of the Secretary dated February 12, 1988. The principal works of the project shall consist of—

(1) pumping plants and related diversion, conveyance, and distribution features;

(2) works incidental to the rehabilitation or modification of existing irrigation systems necessary to accomplish a water exchange;

(3) fish passage and protective facilities and other necessary mitigation measures;

(4) a program to monitor and regulate project operations; and

(5) a program to evaluate fishery resources mitigation measures.

S313-45

SEC. 3. INTEGRATION AND OPERATION OF PROJECT.

Project facilities and features authorized by this Act shall be integrated and coordinated, from an operational standpoint, into other features of the Umatilla Project, and shall be operated in a manner consistent with Federal reclamation laws and water rights established pursuant to State law including the contract rights of water users. Prior to the initiation of project construction, the Secretary shall secure the necessary State and local permits and other authorities for the operation of project facilities, and through the conclusion of appropriate agreements with the State of Oregon, the relevant irrigation districts, and the Confederated Tribes of the Umatilla Indian Reservation provide for the monitoring and regulation of project related water supplies for the purposes herein identified.

SEC. 4. POWER FOR PROJECT PUMPING.

The Administrator of the Bonneville Power Administration, consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the water exchange with irrigation districts for purposes of mitigating anadromous fishery resources. The cost of power shall be credited to fishery restoration goals of the Columbia River Basin Fish and Wildlife Program.

SEC. 5. FISHERY RESOURCE FACILITIES.

Facilities and any other project features which furnish fishery resource benefits in connection with the project shall be constructed, operated, and maintained in accordance with the Federal Water Project Recreation Act (Public Law 89-72, 79 Stat. 213), as amended, except that costs, which shall be allocated to the mitigation of anadromous fish species, shall be nonreimbursable.

SEC. 6. NON-FEDERAL OBLIGATIONS.

The Secretary shall negotiate and enter into agreements which specify appropriate non-Federal obligations of the operation and maintenance of project facilities authorized in this Act. The Federal responsibility for operation and maintenance shall be limited to those costs in excess of non-Federal obligations as established by such agreements.

SEC. 7. INTERIM FLOW AUGMENTATION.

Until the facilities authorized in this Act are constructed and in operation, and as an interim measure to provide flow augmentation of the Umatilla River for anadromous fishery resources, funds are authorized to be appropriated to the Secretary to provide for interim operation and maintenance of existing pumps or other facilities for the purpose of providing flow augmentation for anadromous fish.

SEC. 8. NON-FEDERAL COSTS.

(a) Credit for Non-Federal Fishery Resource Improvements. The Umatilla Basin Project authorized by this Act is a Federal action to improve streamflow and fish passage conditions and shall be considered part of a comprehensive program to restore the Umatilla River basin anadromous fishery resource. Related fishery resource improvement facilities which utilize funding sources under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (94 Stat. 2697) and programs of the State of Oregon and other entities shall be consolidated in any final calculation of required cost sharing.

(b) Treatment of Non-Federal Costs Incurred in Implementing Project Features Before Appropriations. Where a public or private entity shares in the cost of or constructs any feature of the project or portion thereof prior to the appropriation of funds for construction of such feature, the costs incurred shall be credited to the total amount of any cost sharing required for the project. The Secretary is authorized to accept title to facilities appropriate to the project without compensation and thereafter to operate and maintain such facilities.

SEC. 9. CONJUNCTIVE USE OF PUMPING FACILITIES.

When project pumping capacity is available in excess of that needed for fishery resource benefits as determined by the Secretary of the Interior, such capacity shall be available to supplement the water supply of irrigated lands eligible for service from the irrigation districts that participate in the project authorized in this Act at a rate based upon a share of operation and maintenance costs associated with such use as negotiated by the Secretary of the Interior and the Irrigation districts: Provided, That such use shall be considered as secondary to the purpose of providing water for fishery resource purposes. Pumping power for this purpose shall be pro-

vided to the Bureau of Reclamation by the Administrator of the Bonneville Power Administration. The Administrator's rate for this service during the peak period shall be the forecasted average rate to be paid by public agencies for irrigation loads during peak periods. The rate during the off peak period shall be the rate paid by public agencies for irrigation loads during off peak periods. The cost of power for such pumping shall be borne by irrigation districts receiving the benefit of such water. The cost of transmitting power from the Federal Columbia River Power System to the project pumping facilities shall also be included in the operation and maintenance costs.

SEC. 10. REHABILITATION AND BETTERMENT AUTHORIZATION.

For purposes of encouraging water conservation and improvements to water supply systems of the irrigation districts participating in the project authorized by this Act, such districts shall be eligible to receive financial assistance, as deemed appropriate by the Secretary, under provisions of the Rehabilitation and Betterment Act of October 7, 1949 (63 Stat. 724), as amended.

SEC. 11. LEASE AND PURCHASE OF WATER.

The Secretary is authorized to acquire from willing parties land, water rights, or interests therein for benefit of fishery resources consistent with the purpose of this Act: Provided, That acquisition of water rights shall be in accordance with applicable State law. There is hereby authorized to be appropriated such sums as required to accomplish the purposes of this section.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) There is hereby authorized to be appropriated for construction of the Umatilla Basin Project the sum of $42,200,000 (April 1987 prices), plus or minus such amounts as may be required by reasons of changes in the cost of construction work of the types involved therein as shown by applicable engineering cost indices and exclusive of facilities indicated in section 12(b) of this Act. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project, including the monitoring and evaluation of project accomplishments.

(b) Related fish passage and protective facilities constructed or to be constructed by the Bonneville Power Administration that are features of the Columbia River Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697) shall be consolidated into calculations of project costs and benefits: Provided, That the Secretary shall not request an appropriation of funds to construct any such facilities.

SEC. 13. WATER RIGHTS.

Nothing in this act shall be construed to—

(1) impair the validity of or preempt any provision of State water law, or of any interstate compact governing water;

(2) alter the rights of any State to any appropriated share of the waters of any body or surface or ground water, whether determined by past or future interstate compacts, or by past or future legislative or final judicial allocations;

(3) preempt or modify any State or Federal law or interstate compact dealing with water quality or disposal;

(4) confer upon any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resources; or

(5) affect any water rights of any Indian or Indian tribe if such rights were established by the setting aside or a reservation by treaty, Executive order, agreements, or Act of Congress.

PURPOSE

As ordered reported, S. 1613 authorizes a management and facilities construction program for the restoration of anadromous fish runs in the Umatilla River Basin (a tributary of the Columbia River in north-central Oregon) and for the continuation of water service to entities currently served by the existing Umatilla project. The bill authorizes $42.2 million for construction of the project. All these costs are allocated to the mitigation of anadromous fishery resources and are thus nonreimbursable. Pumping power for the fish restoration program would be provided by the Bonneville Power Administration.

BACKGROUND

The existing Umatilla project was authorized in 1905 pursuant to authority of the Reclamation Act of 1902. Initial project facilities were completed in 1908 with additional storage and conveyance facilities built during the 1920s. Major features include Cold Springs and McKay dams and reservoirs, three diversion dams, 137 miles of major canals, and one pumping plant. The project supplies irrigation water to approximately 30,000 acres. Principal crops are alfalfa, pasture, mint, grain, and vegetables.

Historically, the Umatilla River supported significant salmon runs but by the 1960s Umatilla River salmon were extinct and the summer steelhead run significantly diminished. The decline in anadromous fisheries was largely the result of irrigation diversions for the Bureau of Reclamation's Umatilla project and the construction of mainstem dams on the Columbia River.

The anadromous fish runs in the Umatilla River were an important resource for the Confederated Tribes of the Umatilla Indian reservation located on the headwaters of the Umatilla River. In addition to providing both income and subsistence, fish runs are central to the religious and cultural traditions of the Tribes. The major purpose of this measure is to reestablish those runs. A series of Indian Treaty right fishing cases in federal courts culminated in the U.S. Supreme Court upholding the treaty rights of certain Indian Tribes (including the Confederated Tribes) to fish. Beginning in 1982, projects were implemented in the Basin to re-establish the fall Chinook salmon run with the first return in 1984; however, the competition between water for irrigation and stream flows to ensure anadromous fish runs still remains.

As part of the effort to restore anadromous fish runs in the Basin, the Bonneville Power Administration (BPA), pursuant to the authority of the Pacific Northwest Electric Power Planning and Conservation Act (P.L. 96-501), has invested $7 million, with an additional $13 million planned, for further fish facilities. In addition, BPA has provided electric power to operate existing pumps to provide limited flow enhancement for fisheries purposes in the interim until completion of other facilities. The Pacific Northwest Power Planning Council is presently reviewing the interim pumping program and has called for public comment.

The management and facilities authorized by S. 1613 would complement the ongoing BPA program within the Umatilla Basin and would enhance the value and effectiveness of fish passage management and facilities at the mainstem dams on the Columbia River downstream from the confluence with the Umatilla River.

The Confederated Tribes, local water interests, and the Bureau of Reclamation have participated in a study in an attempt to resolve the short and long term water use conflicts in the Umatilla Basin. Authority for the feasibility investigation of the proposed project by the Bureau of Reclamation was included in P.L. 89-561. Alternative proposals which were elevated included additional upstream storage and decreased irrigation diversions resulting from increased efficiency. The recommended plan as authorized by S. 1613 is the most cost effective and has a benefit to cost ratio of 1.7 to 1. The Planning Report/Draft Environmental Statement was released

for public review in July 1986 and a public hearing was held by the Bureau of Reclamation in the project area in September of 1986.

The Confederated Tribes, local water interests, environmental groups, and the State of Oregon support the program and facilities authorized by S. 1613.

Project facilities

As ordered reported, S. 1613 would authorize the construction of pumping plants and related carriage facilities to deliver water from the Columbia River into storage facilities of the Umatilla project. The Columbia River water would be utilized by existing irrigators who would forgo diversions from the Umatilla River thereby providing instream flows for the passage of anadromous fish. Provision of water from the Columbia would provide for a water exchange between irrigators and the Confederated Tribes allowing maintenance of irrigated agriculture while promoting the restoration of anadromous fisheries.

Major structural features include a 10,000 horse power pumping plant on the Columbia River, two relift pumping plants, 12 miles of canals and pipelines, a pumping plant at the mouth of the Umatilla River, improvement of existing fish passage facilities, and installation of fish screens at diversion points.

LEGISLATIVE HISTORY

S. 1613 was introduced on August 6, 1987 by Senator Hatfield and was referred to the Committee on Energy and Natural Resources. A field hearing was held by the Subcommittee in Pendleton, Oregon on February 8, 1988 (S. Hrg. 100-614). A Washington, D.C. hearing was held before the Subcommittee on June 28, 1988, at which time the Administration opposed enactment.

A House companion measure, H.R. 4093, was introduced on March 3, 1988 by Congressman Smith of Oregon and is cosponsored by Congressmen DeFazio and Wyden. H.R. 4093 is pending before the Subcommittee on Water and Power Resources of the House Committee on Interior and Insular Affairs.

In the 99th Congress, a similar measure, S. 2931, was introduced but Congress adjourned before taking any action on the measure.

At the business meeting on Wednesday, August 10, 1988, the Senate Committee on Energy and Natural Resources ordered S. 1613 to be reported with an amendment in the nature of a substitute.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on August 10, 1988, by unanimous vote of a quorum present recommends that the Senate pass S. 1613 with an amendment in the nature of a substitute.

COMMITTEE AMENDMENT

The Committee adopted an amendment to S. 1613 in the nature of a substitute. The amendment specifies the project document (report of the Secretary dated February 12, 1988) to be used as the

basis for the authorization of the Secretary to construct, operate, and maintain the Umatilla Basin Project.

The amendment deleted section 5 of S. 1613 as introduced. The original text of section 5 provided for the computation of the interest rate applicable to reimbursable costs. Since the Bureau of Reclamation has determined that all of the construction costs pursuant to S. 1613 will be allocated to the mitigation of andromous fisheries and hence non-reimbursable, the original section 5 has been deleted since it has no application to the program authorized by the bill.

During consideration of S. 1613, concern was expressed that the authority contained in section 10 of the bill as introduced would allow the use of excess pumping capacity to serve newly irrigated lands. The new section 9 of the amendment retains the authorization to use excess project pumping capacity to supply irrigation water, but clarifies the bill to provide that such excess capacity shall be available only to supplement the water supply of irrigated lands eligible for service from the irrigation districts that participate in the project. The new section 9 also requires that the cost of such supplemental water shall be based upon a share of the operation and maintenance costs associated with such use as negotiated by the Secretary and that pumping power for this purpose shall be provided to the Bureau of Reclamation by the Administrator of the Bonneville Power Administration. The amendment requires that the cost of such power shall be borne by irrigation districts receiving the benefit of such water and precribes the rates to be charged. The new section 9 retains the stipulation that provision of a supplemental water supply for irrigation shall be considered as secondary to the purpose of providing water for fishery resource purposes.

The substitute also includes a new section 13 regarding water rights. This section was added to ensure that the bill will not alter any existing water law or water right relating to a state, the federal government, an interstate compact, or an Indian tribe. This section is identical to language approved by the Committee earlier in the 100th Congress in other bills.

SECTION-BY-SECTION ANALYSIS

Section 1 is self-explanatory.

Section 2 is self-explanatory.

Section 3 is self-explanatory.

Section 4 directs the Administrator of the Bonneville Power Administration, consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), to provide project power to effect the water exchange with irrigation districts for purposes of mitigating anadromous fishery resources. During consideration of S. 1613, concern was expressed that passage of the measure would imply that the Bonneville Power Administration would be responsible for repayment of capital expenditures made pursuant to the bill or require additional capital expenditures by the Bonneville Power Administration for anadromous fishery mitigation in the Umatilla Basin. The Committee notes that neither this section, or any other section of the bill

creates for the Bonneville Power Administration any responsibility for additional capital expenditures or the reimbursement of such expenditures.

Section 5 is self-explanatory.

Section 6 is self-explanatory.

Section 7 provides for interim flow augmentation. Section 7 authorizes appropriations for the operation and maintenance of existing pumps or other facilities for the purpose of providing interim flow augmentation for anadromous fish. The Committee notes that the Bonneville Power Administration is currently making funds available to provide for interim pumping at one site. The Committee expects that the BPA will continue to make funds available to provide power for such interim pumping until the facilities authorized by S. 1613 are constructed and in operation and as long as such pumping is consistent with the Columbia River Basin Fish and Wildlife Program.

Section 8 is self-explanatory.

Section 9 authorizes the use of project pumping facilities to provide supplemental irrigation water supplies when such pumping capacity is not needed for fishery resource benefits. When pumping capacity is available in excess of that needed to benefit fish and is utilized for pumping supplemental irrigation water supplies, the Administrator of the Bonneville Power Administration shall provide power to the Bureau of Reclamation for provision of the supplemental irrigation water. Pursuant to this section, the rate for this service during peak period hours (generally from 7:00 am until 10:00 pm) shall be the forecasted average rate to be paid by public bodies and cooperatives for irrigation loads during their peak periods. The rate during the off peak period shall be the rate paid by public bodies and cooperatives for irrigation loads during off peak periods. The cost of power for such pumping shall be borne by the irrigation districts receiving such power. The irrigation districts will also be responsible for the cost of transmitting the power from the Federal Columbia River Power System to the project pumping facilities, which cost shall be included as a part of operation and maintenance costs.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, DC 20515

August 22, 1988

Honorable J. Bennett Johnston, Jr.
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Congressional Budget Office has prepared the attached cost estimate for S. 1613, the Umatilla Basin Project Act.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

James L. Blum
Acting Director

cc: Honorable James A. McClure
Ranking Minority Member

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

August 22, 1988

1. BILL NUMBER: S.1613

2. BILL TITLE: Umatilla Basin Project Act

3. BILL STATUS:

As ordered reported by the Senate Committee on Energy and Natural Resources, August 10, 1988.

4. BILL PURPOSE:

S. 1613 would authorize the appropriation of $42.2 million plus inflation for the construction, operation, and maintenance of the Umatilla Basin Project in Oregon. The project would be built by the Bureau of Reclamation (BOR) as a means of exchanging water from various sources to restore anadromous fish runs in the Umatilla River Basin and to ensure the continuation of water service to local water districts. The bill would also authorize the appropriation of whatever funds are necessary to provide interim operation and maintenance and flow augmentation and to assist in the long-run operation and maintenance of the new facilities.

The bill would also:

- o require the Bonneville Power Administration to provide power to execute the exchange of water authorized in the bill;
- o provide for the calculation of project cost-sharing;
- o allow for the use of excess project water, when available, for irrigation in the affected districts;
- o authorize BOR to acquire certain land and water rights;
- o provide for financial assistance for participating water districts for rehabilitation and betterment of project facilities.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

(by fiscal year, in millions of dollars)

	1989	1990	1991	1992	1993
Estimated Authorization Level	3.4	6.7	11.6	20.2	7.6
Estimated Outlays	2.8	6.2	10.9	18.8	9.8

In addition, construction outlays totaling about $2.2 million are estimated to be necessary in 1994 to complete the project. Annual operation and

maintenance costs after construction is complete are estimated to total approximately $1.4 million beginning in 1994.

The costs of this bill fall within budget function 300.

Basis of Estimate:

In preparing this estimate, we assumed that S. 1613 would be enacted by the early part of fiscal year 1989 and that appropriations would be provided annually, beginning with fiscal year 1989. Construction outlays for each year were estimated based on information from BOR. They were inflated using CBO's baseline inflation projections. Authorization levels were then estimated based on historical outlay rates for similar projects. After adjusting for inflation, the total authorization is estimated to be $48.8 million, assuming appropriations begin in fiscal year 1989. Annual operation and maintenance costs were estimated based on information from BOR. We do not expect other provisions of the bill to result in significant additional costs to the federal government.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENTS: None.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: Theresa Gullo (226-2860)

10. ESTIMATE APPROVED BY:

James L. Blum
Assistant Director
for Budget Analysis

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1613. The Act is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in carrying out the actions authorized by S. 1613. Therefore, there would be no impact on personal privacy.

Other than the normal paperwork resulting from the construction of the Umatilla Basin Project, little, if any, additional paperwork would result from the enactment of S. 1613 as reported.

EXECUTIVE COMMUNICATIONS

On January 12, 1988, the Committee on Energy and Natural Resources requested legislative reports from the Department of Energy, Department of the Interior, and the Office of Management and Budget setting forth executive views on S. 1613. These reports had not been received in time for inclusion in this report. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the agencies at the Subcommittee hearing follows:

STATEMENT OF JOHN KEYS, REGIONAL DIRECTOR
PACIFIC NORTHWEST REGION, BUREAU OF RECLAMATION
REGARDING S. 1613 TO AUTHORIZE THE SECRETARY OF THE INTERIOR
TO CONSTRUCT, OPERATE, AND MAINTAIN
THE UMATILLA BASIN PROJECT, OREGON
FEBRUARY 8, 1988

I am John Keys, Regional Director for the Bureau of Reclamation's Pacific Northwest Region. I appreciate the opportunity to comment on the proposed Umatilla Basin Project being considered for construction authorization in S. 1613.

Background

Representatives of the Confederated Tribes of the Umatilla Indian Reservation and the State of Oregon appeared before a congressional committee in Washington, DC, a few years ago. They asked that Reclamation formulate a plan that would help resolve an intensifying conflict over need for Umatilla River water for irrigation and for salmon and steelhead. The opportunity for cooperation among these groups and local irrigation districts was apparent, and Congress directed that the planning be done.

This planning effort has been a cooperative endeavor with the Confederated Tribes, State, irrigation districts, citizens committee, Northwest Power Planning Council, Bonneville Power Administration, Federal fish and wildlife agencies, Forest Service, and others. Comments on the plan at a public hearing in Pendleton were very positive.

The Administration has not made recommendations regarding project implementation. Therefore, my comments today are limited to background and technical aspects of the project.

The purpose of the proposed project is to improve streamflow and passage conditions in the Umatilla River to help restore salmon and steelhead runs while continuing to meet irrigation water supply commitments. The project does not address other basin water issues. The project will not abrogate or limit the reserved water rights of the Confederated Tribes of the Umatilla Indian Reservation.

The project is part of a multifaceted program to restore the Umatilla fishery which has been greatly diminished by regional resource development, including construction of the Federal Umatilla Reclamation project in the early 1900's. Features of the basinwide program have already been made a part of the Northwest Power Planning Council's Fish and Wildlife Program and are currently being implemented by Bonneville Power Administration under authorities specifically granted by Congress in the past several years. The Confederated Tribes and the State also are participating where they have authority and funding. The Umatilla basin project under study would provide the streamflow improvements critical to success of the basinwide program.

Umatilla Basin Project Planning

The key feature of the proposed project is a water exchange with the Columbia River on the north boundary of the Umatilla basin. Irrigators would forego some Umatilla River diversions and have that water replaced from the Columbia River. The exchange would improve Umatilla River flows during periods critical to fish.

Plan Features

°Streamflow objectives in the lower 50 miles of the Umatilla River (from McKay Creek downstream) designed to be satisfied by the project are:

300 cfs from October 1 through November 15
250 cfs from November 16 through June 30 and September 16-30

These flow levels were established in cooperation with tribal, State, and Federal biologists and agree with State flow objectives for the basin.

°The project's major water exchange feature is a Columbia River pumping complex consisting of pumps and canals to deliver Columbia River water to existing distribution facilities of the Hermiston and Stanfield Irrigation Districts.

°Other water exchange features to be constructed include:

--Facilities to exchange water (up to 140 cfs) with the West Extension Irrigation District at Three Mile Falls Diversion Dam to improve flows in the lowest reach of the Umatilla River, and

--A small pumping station on the Umatilla River at Cottonwood Bend (river-mile 13) to exchange water (30 cfs) with Westland Irrigation District

°The exchange water supply pumped from the Columbia River would average about 39,000 acre-feet annually and range from a low of about 13,000 acre-feet to a high of about 74,000 acre-feet depending on natural runoff conditions in the basin. On the average, about 19 million kilowatt-hours of power would be needed to operate project pumping facilities. The Northwest Power Planning Council has adopted a measure which calls for Bonneville Power Administration to provide that power as a part of the council's Fish and Wildlife Program. Legislation such as this bill would give Bonneville authority to provide such power without charge.

°In addition to water exchange facilities, fish passage facilities and screens would be installed at Maxwell, Feed Canal, Westland, and Stanfield Diversion Dams and Furnish Ditch, and a fish barrier would be placed at the mouth of McKay Creek. Construction of substantially all of the passage and screen facilities was authorized in the 1987 Department of Energy Appropriation Bill and is being funded by the Bonneville Power Administration.

°The proposed project would include a program to monitor postconstruction operations so that streamflows could be "fine tuned" to maximize fishery benefits.

°A project oversight committee would be formed to provide a forum of communication among irrigators, tribal leaders, State water managers, fish and wildlife experts, and project operators. This group would develop annual fish passage and flow objectives within project guidelines. Water regulation and enforcement would be provided in cooperation with the Oregon State watermaster office in Pendleton in accordance with State water law and the agreements specific to the Umatilla Basin Project.

°Operation and maintenance oversight would be by personnel of Reclamation's Yakima Project office. That staff has experience in managing and operating similar fishery enhancement programs and facilities in the Yakima River basin.

Proposed Project Accomplishments

°Streamflow and fishway improvements are critical to restoration of natural and hatchery runs of salmon and steelhead. Reclamation estimates that with the project, adult fish returns to the Umatilla River alone would average 46,000 fish. All together, the project would add an estimated average of 112,000 fish annually to the Columbia River, Pacific Ocean, and Umatilla River fisheries harvest.

°Farmers would benefit from a resolution of the conflict over competing water needs for irrigation and fish. Near record runs of chinook salmon migrated up the Columbia River this past fall--evidence that Columbia River fishery restoration is working. In contrast, Umatilla River fall streamflows needed for fish migration were practically nonexistent. Absent a new water source, irrigation water supplies could be in jeopardy under claims of Indian treaty rights. Over 40,000 acres of cropland could risk loss of water supply.

Project Cost Estimate

Construction (4/87)	$46,000,000	(Includes about $4 million for ladders and screens to be funded by the Bonneville Power Administration)
Project Costs (annual)		
Construction	$ 4,076,000	
Operation, maintenance, and replacement	$ 238,000	
Power	$ 673,000	(Includes power for pumping plants--$421,000 at 22.2 mills, a value of power generation foregone at downstream powerplants--$28,600, and economic value of replacing power from another source--$223,400)
Power wheeling	$ 172,000	
Total annual costs	$ 5,159,000	

Project Benefits (annual)

Anadromous fish	$ 7,760,000	(Sport fishing and commercial value)
Resident fish	$ 79,000	
Benefits to unemployed labor resources	$ 316,000	
Total annual benefits	$ 8,155,000	

*Project monetary benefits ($8,155,000 annually) compared to annual project costs ($5,159,000) results in a benefit-cost ratio of 1.6 to 1.0.

*About 5-1/2 years would be needed to design and construct all project facilities under an optimum construction schedule, following authorization and with adequate appropriations. However, the project can be phase developed. Construction of facilities to exchange water with the West Extension Irrigation District at Three Mile Falls Diversion Dam would be a productive first phase. That exchange would improve streamflows from the Columbia River to the diversion dam. In combination with the new fish passage facilities being built at the dam and recent channel work, this would enable fish to return at least to Three Mile Falls Diversion Dam for harvest or transport to other areas. First phase facilities would cost about $7 million and could be in place within 2 years after authorization. First phase operation and maintenance costs would be about $15,000 annually, and pumping power costs would be about $44,000 (2 million kilowatt-hours at 22.2 mills).

It should be noted that fish and wildlife facilities constructed under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 are considered in the calculation of project benefits and costs.

Cost Sharing

The Administration has not yet developed a position on the appropriate level of non-Federal cost sharing for the proposed project.

Local Activities

Local interests at this time are investing in Umatilla basin fishery restoration programs. Among these activities are:

*$21 million of fishery facilities that have been included in the Fish and Wildlife Program of the Northwest Power Planning Council. To date, $7 million has been expended, and additional projects totaling $8 million are in the final design stage. These activities are being funded by regional ratepayers through Bonneville Power Administration.

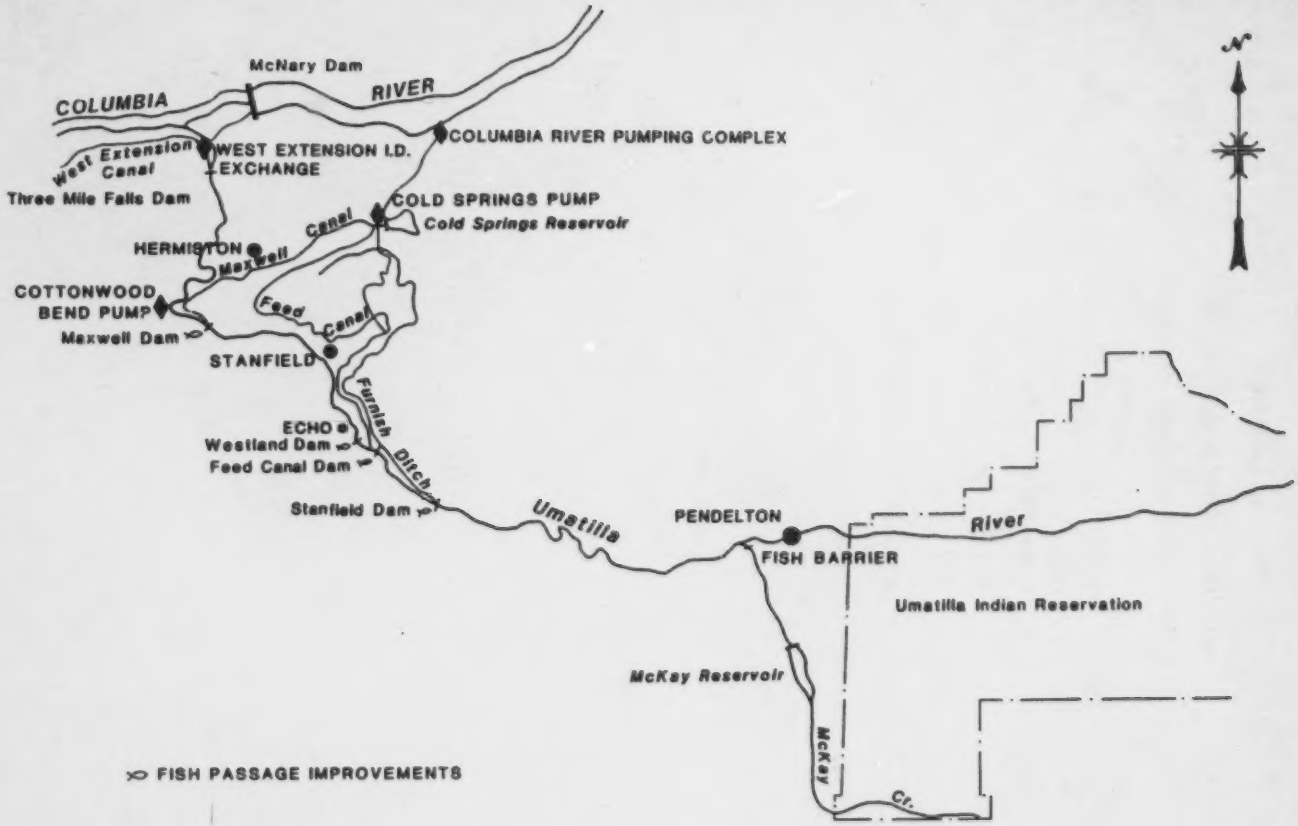
*The Oregon Department of Fish and Wildlife has funded hatchery outplantings valued at about $200,000 a year.

*Irrigators are helping to fund fish monitoring programs and participating in planning studies.

*The State of Oregon has funded activities of the Umatilla Basin Project citizens steering committee to aid in resolving critical water conflicts.

Conclusion

This concludes my testimony. I will be pleased to answer any questions you may have.



UMATILLA BASIN PROJECT

FEATURES AND FACILITIES

STATEMENT OF JOHN S. ROBERTSON,

DEPUTY ADMINISTRATOR,

BONNEVILLE POWER ADMINISTRATION,

UNITED STATES DEPARTMENT OF ENERGY

HEARING ON S.1613

UMATILLA BASIN PROJECT

BEFORE THE SUBCOMMITTEE ON WATER AND POWER,

COMMITTEE ON ENERGY AND NATURAL RESOURCES,

UNITED STATES SENATE

JUNE 28, 1988

INTRODUCTION

Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to come before you to discuss the Umatilla Basin Project Act. My name is Jack Robertson, and I am the Deputy Administrator of the Bonneville Power Administration (BPA).

Mr. Chairman, since passage of the Pacific Northwest Electric Power Planning and Conservation Act (Regional Act), BPA has aggressively met its fish and wildlife obligations and has expended over $120 million on capital facilities and revenue funded projects. Our costs reach nearly $650 million if estimates of foregone revenues for water budget and spill, and costs of operations and maintenance, depreciation, and annualized interest on capital investment are also included.

The bill would authorize $42 million for the Secretary of the Interior to design, construct, and operate pumping plants and other facilities for the Umatilla Basin Project. You will be pleased to know that some project activities which were authorized last year by the Congress in connection with the Department of Energy's appropriations are already being implemented.

The bill seeks to mitigate losses to anadromous fishery resources by improving Umatilla River flows. In accomplishing this, the bill requires that BPA provide electricity for pumping water from the Columbia River into project irrigation district facilities in exchange for water presently withdrawn from the Umatilla River. The bill also provides an opportunity for irrigation districts participating in the flow enhancement to obtain additional irrigation water by utilizing the pumps when they are not needed for pumping water for the purpose of fish flows.

Mr. Chairman, we have serious concerns with the funding responsibilities and the effects such obligations could have on BPA ratepayers in the Pacific Northwest. We also believe that the bill needs technical revisions to provide consistency with the Regional Act. My comments today clarify these concerns and offer possible solutions.

BPA'S COMMITMENT AND INVESTMENT IN THE UMATILLA BASIN

Under the Regional Act, we have a responsibility to protect, mitigate, and enhance fish and wildlife to the extent that these resources are affected by Federal hydroelectric projects. Because the damage to the Umatilla's fishery resource is a result of irrigation practices and not from hydroelectric development, we are not obligated to make fish investments in the Umatilla Basin. However, the Regional Act does provide us the authority to invest in certain fishery improvements in the Umatilla as off-site mitigation for hydropower fish losses elsewhere.

We previously determined that off-site mitigation to improve fish passage conditions, fix degraded habitat, and build new sources of fish for the Umatilla was appropriate. We based our decision on assurances from fish managers that our investments would yield solid returns in terms of increased fish production under existing flows. To date, we have invested $7 million, and we plan to spend an additional $13 million in Umatilla fishery improvements. For this $20-plus million investment, we hope to increase the salmon and steelhead runs back to the Umatilla by about 19,000 fish per year.

This bill seeks to increase existing flows by pumping water from the Columbia River to replace water that irrigators would otherwise draw from the Umatilla River. We are informed that this enhancement is expected to further increase Umatilla fish runs by another 17,400 fish and would come at a capital cost of $42 million and annual power costs of $675,000, plus wheeling costs of $172,000. In light of our present commitment of $20 million in the Umatilla, we do not feel that any further investments or expenditures by BPA ratepayers are appropriate.

BPA CONCERNS WITH IRRIGATION PROVISIONS

If Congress authorizes the additional pumping solely for irrigation purposes when pumping capacity is in excess of that needed for fish flow purposes in the Umatilla River, S.1613 should require that power be provided at a cost equal to our priority firm rate to public agencies. The bill presently requires BPA to provide such power at irrigation subsidy rates between 2 and 3 mills. The difference in power costs between the priority firm and irrigation subsidy rates could approach $80,000 annually. We strongly recommend that the bill be amended to require that irrigators pay the priority firm rate normally charged Federal agencies and preference customers.

It is our understanding that all of the bill's costs will be allocated to mitigation of anadromous fish species and that, according to section 6, these costs are nonreimbursable. Consistent with this understanding, BPA recommends that the bill state that any costs actually allocated to irrigation be solely an obligation of irrigation beneficiaries so that any additional subsidy by BPA in the form of irrigation assistance is precluded.

INTERIM PUMPING

Our final concern deals with provisions in the bill that provide for interim use of existing irrigation pumps to provide limited flow enhancement until project facilities are operational. The bill requires that BPA provide power to run existing pumps for this purpose. BPA has the authority to do this under the Regional Act. We made available $45,000 last year and $30,000 this year for such pumping purposes. A problem with interim pumping is the difficulty it presents with providing adequate amounts of water at the right times and in the right places. Another problem is that the actual benefits to fish are unknown. We have no evidence to indicate the success of interim pumping.

It is important to note that the Northwest Power Planning Council (Council) is presently considering amending its Fish and Wildlife Program to clarify the Umatilla pumping measure. Concern over interim flows has triggered this public process. If BPA is persuaded through that review that interim flow enhancement efforts would achieve substantial benefit to migrating fish, then BPA would provide funds for such measures under our existing authority. But we believe statutory direction at this time is premature. We therefore recommend that section 8, which authorizes interim pumping, be deleted from the bill.

CONCLUSION

In conclusion, the bill has the potential to enhance the Pacific Northwest's salmon and steelhead resources. However, because of the large investment BPA has already made in the Umatilla Basin, we are opposed to BPA having any obligation to repay the $42 million provided in this legislation. We are also concerned that this bill not require BPA to pay any pumping costs.

I thank you for the opportunity to present our views and would be glad to address any questions you may have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 1613 as reported.

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